

BROOKS RESOURCES LTD. (BRS-V)

EXPLORATION ON FOUR GOLD PROJECTS PLANNED FOR 1989

Herb L.Donaldson, president and John A.Donaldson, general manager, in a recent interview stated, Brooks Resources has resumed exploration on the 49 unit Kellin gold project, located 5 km northwest of the QR property of QPX/Placer Dome, 50 km southeast of Quesnel, B.C. (On the QR property reserves of 1,100,000 tons of 0.21 oz.gold/t are being further explored toward a feasibility study). They also reported that exploration is planned for each of the other three properties held under option.

The recently completed \$50,000 program of digging approximately 140 trenches was conducted in the north-eastern portion of the Kellin claims to test a 2 km long weak VLF aerial and ground magnetometer anomaly. The target had been confirmed by induced polarization survey and soil sampling which located gold and zinc anomalous areas. The work opened an area about 300 feet by 300 feet containing arsenic, molybdenum and some copper in an area of quartz carbonate alteration near an intrusive body. This geological setting is similar to the QR deposit and has been mapped as being along the same regional geological structure. The next phase of exploration is planned as additional geochemical soil sampling and trenching leading to the selection of drill targets.

The other three properties are:

Congr property, 54 claims, adjacent to the producing heap leach gold mines of Placer Dome and Northern Dynasty at Little Bald Mountain, 35 miles northeast of Eureka, White Pine county, Nevada. Exploration to date has included prospecting, geological mapping, rock and soil geochemical surveys and trenching. Regionally gold appears to be related to limonite after pyrite, and a large portion of the silver to chalcopyrite. Exploration has established anomalous gold values within the extension onto the Brooks property of the gold ore host structure in the Little Bald Mt. mine. A program of geological mapping, geochemical sampling, trenching and follow-up drilling has been recommended.

Enright Hill is a gold and silver in quartz and stannite property of 2 patented and 22 unpatented claims at 7,800 feet elevation, 9 miles northeast of Mountain City, just north of the Jerritt Canyon gold mine, Elko county, Nevada. The property is held under option to earn a 51% interest through an agreement with J.Prochnau and Co.Inc., representing the WX Syndicate, which retains a 49% interest, by a 20 year lease that requires annual payments of \$5,000 in the first year increasing to \$25,000 in the fifth year and a net smelter royalty of between 3% and 6% escalating with the price of gold. Brooks must contribute the first \$100,000 to the program to exercise the option. Subsequent to the acquisition of the Enright Hill claims the company acquired an option from U.S. Borax to earn a 60% interest in property adjoining the Enright Hill ground.

Soil sampling returned highly anomalous gold values and a magnetometer survey indicated the probable contact of the favourable intrusive. Work to date suggests an open pitable oxide deposit within a target area 1,000 feet by 5,000 feet. The recommended exploration includes soil sampling and drilling to follow up on the ore grades of gold and silver located by old trenches and drilling. The 10,000 foot long silicified zone has yielded samples grading 0.39 oz.gold/t and 155 oz.silver/t.

Walker mine, 8000 acres, near Susanville, Plumas county, California, has been optioned and Brooks will spend \$25,000 over 5 months to ascertain the exploration programs required to develop the property before formal agreements are negotiated.

Recent studies indicate a target of 2,000,000 open pitable tons grading 0.06 oz.gold/t, 0.8 oz.silver/t within 2,000 feet of a 5,000 foot strike length plus parallel structures. The main target Brooks will pursue

initially is the near surface oxide deposit. Anaconda developed and operated the mine between 1916 and 1941 to produce 5,300,000 tons of copper, gold, silver ore. The remaining underground reserves total 3,440,867 tons grading 1.53% copper, 0.65 oz.silver/t, 0.029 oz.gold/t.

Brooks personnel and associates have extensive experience in heap leach operations in Nevada and California and are familiar with permitting, design, monitoring and compliance requirements. Directors are: the two Donaldsons, P.B.Ford, C.K.Kelly and Laurence M.Raulston, geologist, accountant and MBA who recently joined the board. Mr.Raulston is also vice-president of the Mintax Group. J.J.MacDougall, P.Eng., is geological consultant to the company.

In late 1988, the company sold 900,000 shares at 35¢ through West Coast Securities and Brink Hudson & Lefever Ltd. and to bring the issued shares to 2,230,001. Since then Brooks has sold a block of 171,429 new shares through shares at 25¢.

DRAGON RESOURCES LTD. (DGNV)

GREENSTONE RESOURCES LTD. (GRE-T,M)

EXTENSIVE STAKING REPORTED- Using mercury as a pathfinder * *BZGSW* Dragon Resources 50% and Greenstone Resources Ltd. 50% have discovered a Carlin-type epithermal gold environment on the Gill property 25 miles southeast of Cranbrook, B.C., just north of the Montana border. Exploration found fine placer gold in the local creeks, surface arsenic and mercury showings, extensive hydrothermal alteration and fault patterns, all characteristics of a Carlin environment.

Carlin deposits are essentially replacement deposits of gold, pyrite and silica with gold remobilized by hydrothermal solutions. The deposits are fracture controlled and usually hosted in recently formed shales and dolomites.

The recommended program is heavy mineral sampling, contour and grid soil geochemistry and prospecting to identify targets for drilling by mid-summer.

Dragon and Greenstone have staked 155 square miles to cover all known geochemical anomalies, mercury showings, surface alteration, placer occurrences, syenite intrusives and faults of the Carlin type. (SEE GCML NO.67, April 7, 1988 FOR MUCH DETAIL).

AMAX GOLD INC. (AXG-T;AU-NYSE)

	1989	1988
3 MONTHS ENDED MARCH 31		
Sales	US \$28,646,000	\$23,279,000
Net Earnings	US 9,222,000	12,478,000
Per Share	US 15¢	21¢

FIRST QUARTER RESULTS - Amax Gold Inc. reported that production at the Sleeper Mine in Nevada was up 18% with first quarter production of 2,250 oz. gold at a cash cost of US \$120 per oz compared to 52,688 oz gold at a cash cost of US \$93 in 1988. The cost increase was due mainly to higher cost production from the Waipi Mine in New Zealand and higher average operating costs at Sleeper. Amax Gold produces and explores for gold in the U.S. and New Zealand and has interests, through Canamax Resources, in gold producing properties in Canada. Amax Gold is 87% owned by Amax Inc.

TAYWIN RESOURCES LTD. (TYN-V)

MERRY WIDOW PROPERTY PURCHASED - Taywin Resources Ltd. * *92L 44, 49, 50* reports the acquisition of 71 crown granted mineral claims from Quatsino Copper Gold Mines Limited for payment of net profits royalties totalling 12.5%. Included in the package is the Merry Widow property near Port McNeill on Vancouver Island, B.C. Government reports indicate the presence of copper-gold-silver values on this ground. Taywin has confirmed these values through preliminary exploration.

An exploration program will start following completion of a planned \$160,000 private placement. Spring and summer programs will concentrate on the Merry Widow, but will also involve the company's Atlin Ruffner, Electrum and Cariboo Lake properties.